

ORIGINAL

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FILED

DISTRICT COURT OF GUAM

OCT 23 2006

MARY L.M. MORAN
CLERK OF COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE TERRITORY OF GUAM

TCW SPECIAL CREDITS, et al.

Plaintiffs,

v.

FISHING VESSEL CHLOE Z,
Et al.,

Defendants.

Case No. 96-00055

PLAINTIFFS ROBERT MATOS AND
SLOBODAN PRANJIC'S STATUS
REPORT SUBMITTED TO JUDGE
JOHN COUGHENOUR

Plaintiffs ROBERT MATOS and SLOBODAN PRANJIC's, by their
counsel, Dwight Ritter, respond to District Court Judge John
Coughenour's order to provide a status report by October 20,
2006 as follows:

1. On June 5, 2006, the 9th Circuit Court of Appeals
denied defendant F/V Chloe Z's appeal and affirmed MATOS and
PRANJIC's *in rem* judgments. Since that date, the 9th Circuit
issued its mandate to the Guam District Court.

2. On October 17, 2006, MATOS and PRANJIC filed their
motion to establish prejudgment and post-judgment interest on

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2 their *in rem* judgments. This request is pending in the Guam
3 District Court.

4 MATOS and PRANJIC, together, have tried their claims on no
5 less than five separate occasions. Defendant F/V Chloe Z has
6 appealed these rulings to the 9th Circuit Court of Appeals in
7 two separate appeals and two joint appeals for a total of four
8 different appeals to the 9th Circuit. MATOS and PRANJIC now seek
9 to collect their *in rem* judgments in their favor including both
10 prejudgment and post-judgment interests.

11 Once amended judgments are entered, MATOS and PRANJIC will
12 seek withdrawal of the funds from the Registry of the Guam
13 District Court to satisfy both *in rem* judgments. The F/V Chloe Z
14 vessel was sold by order of the court in 1996 and the sum of
15 approximately \$ 6,000,000 was deposited in the Registry of the
16 Court to satisfy priority maritime judgments and liens like
17 those held by MATOS and PRANJIC.

18 3. Recently, MATOS and PRANJIC sought a full and complete
19 written accounting from the Bank of Guam to verify that
20 approximately \$ 6,000,000 was deposited with the Registry of the
21 Court and to determine each and every deposit and withdrawal
22 that has occurred since the sale of the vessel. In addition,
23 MATOS and PRANJIC seek to determine the full amount of the
24 interest which has accumulated on the funds to date.

25 Unfortunately, MATOS and PRANJIC's attempts to obtain an
26 accounting, have been to no avail. Despite repeated requests,
27 both oral and written, the Bank of Guam has not provided a
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2 written accounting of the debits and credits which were to be in
3 held in the Registry of the Court in the Bank of Guam.

4 4. There is some indication that there may not be
5 sufficient funds in the Registry of the Court to satisfy the
6 full amount of the MATOS and PRANJIC judgments with interest. In
7 May of 2005, TCW, a subordinate creditor, sought to withdrawal
8 the remaining funds from the Registry of the Court based upon
9 Judge Unpingco's April of 2004 dismissal of the MATOS and
10 PRANJIC *in rem* judgments. MATOS and PRANJIC do not know if the
11 accounting figures noted in TCW's declarations are accurate or
12 not. MATOS and PRANJIC are unable to receive a full accounting
13 of the debits and credits in the Registry of the Court and
14 therefore and are relying upon the statements of TCW's counsel,
15 Craig Miller. However, without a formal accounting it remains
16 unknown as to whether Mr. Miller's statements, in an attempt to
17 withdrawal approximately \$ 1,695,767 in May of 2004, are
18 accurate or inaccurate. Nevertheless, based on Miller's
19 statements, there could be as much as \$ 8,000,000 missing from
20 the Registry of the Court which would include both the principal
21 and interest accumulated since sale of the vessel in 1996.

22 5. In addition, MATOS and PRANJIC have recently been made
23 aware that certain funds were withdrawn from the Registry of the
24 Court to pay a priority maritime lien of Vjeko Mazic. The Mazic
25 claims and judgments were paid out of the Registry of the Court
26 in the approximate amount of \$ 750,000. While it is acknowledged
27 that Majic had a priority maritime lien, his claims were covered
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3 by a \$ 25,000,000 Protection and Indemnity policy that exists
4 with F/V Chloe Z and F/V Chloe Fishing Corporation, Inc. as the
5 insureds. MATOS and PRANJIC have been recently apprised that the
6 London insurance carrier, Sphere Drake, did agree to fulfill
7 their obligation under the \$ 25,000,000 Protection and Indemnity
8 policy and indemnify the Registry of the Court for the funds
9 withdrawn to pay the Majic claims. If these payments occurred,
10 Sphere Drake was clearly obligated to indemnify the Registry of
11 the Court in order to maintain the principal and interest for
12 priority distribution to all claimants in the TCW action
13 including MATOS, PRANJIC, and TCW. Under any indemnification
14 agreement, the Registry of the Court paid the Majic claims and
15 thus the Registry should be indemnified. However, without a
16 full written accounting, MATOS and PRANJIC do not know if the
17 Sphere Drake indemnity payments were tendered to the Registry of
18 the Court or not.

19 6. Further, MATOS and PRANJIC hold *in personam* judgments
20 that were initially obtained in July of 1996. Since that date,
21 the judgments have been affirmed on appeal by the 9th Circuit
22 Court of Appeals and remained unsatisfied. Both judgments
23 initially totaled approximately \$ 2,375,000 and, with legal
24 interest, they are currently valued at approximately
25 \$ 4,500,000. These *in personam* judgments have existed as claims
26 in the TCW action since shortly after the *in personam* judgments
27 were obtained in 1996. MATOS and PRANJIC are requesting that all
28 funds be held at the Registry of the Court until the priority

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2 status of all claims and all creditors are fully determined.

3 7. In summary, MATOS and PRANJIC continue to assert their
4 *in rem* and *in personam* judgments as validly obtained judgments
5 which have priority status and should be satisfied from the
6 \$ 6,000,000 proceeds derived from the F/V Chloe sale in 1996.

7 Wherefore, MATOS and PRANJIC, by their counsel, Dwight
8 Ritter, submit their status report and request appropriate court
9 intervention to schedule proceedings and enforcement of the
10 MATOS and PRAJNIC *in rem* and *in personam* judgments.
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13 Dated: Oct 23, 2006

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